

Blumont Group Ltd.

**Sustainability Report
2020**

Incorporated in the Republic of Singapore

Company Registration Number: 199302554G

Table of Contents

About This Report	3
About Blumont	4
▪ Company Profile	
▪ Mission Statement	
Group Structure	5
Executive Director’s Message	6
Materiality Assessment	7
Key Stakeholders Engagement	8
Risk and Opportunities	9
Our Business	10
▪ Strategic Investment	
▪ Economic Performance	
Our Environment	12
▪ Waste and Resource Management	
Our People	14
▪ Occupational Health and Safety	
▪ Training and Education	
Our Governance	21
▪ Board of Directors	
GRI Content Index	23

About This Report

Blumont Group Ltd. and its subsidiaries (“Blumont” or “the Company” and together with its subsidiaries, the “Group”) continue to discuss the progress of our journey towards sustainable development and how we have carried out initiatives against our Environmental, Social and Governance (“ESG”) goals through our fourth Sustainability Report. The Group is committed to creating sustainable and long-term business, as well as delivering values in a responsible way to meet the world’s growing needs.

This report is prepared in accordance with the Global Reporting Initiative (“GRI”) standards – Core option and with reference to SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting Guide. We have chosen GRI Sustainability Reporting Standards for its comprehensive guidelines in reporting sustainability matters, and we have applied its principles of accuracy, balance, clarity, comparability, reliability, and timeliness to put together a comprehensive report.

The data and information provided within this report has not been verified by an independent third party and we have relied on internal checks and verification for accuracy. A copy of this report is available for download on SGXNet at www.sgx.com.

2020

- This report covers data and information from 1 January 2020 to 31 December 2020 (“FY2020”).
- We will be focusing on sustainability initiatives carried out by our sterilisation business at PT Rel-ion Sterilization Services (“PT. Rel-ion”) as it remained as the main contributor of our reported net revenue for FY2020.



- We have applied the following principles when preparing this report:
 - Stakeholder Inclusiveness
 - Sustainability Context
 - Materiality
 - Completeness



- We are committed to listening to our stakeholders and we look forward to your feedback.
- Feedback can be sent via our website <http://www.blumontgroup.com/contact/>
- Contact point for questions regarding this report will be Mr. Alan Yu Chin, the Executive Director of the Company.

About Blumont

Company Profile

Blumont Group Ltd. is listed on the mainboard of Singapore Exchange Securities Trading Limited (“SGX”) since 2000. Our headquarters is in Singapore, with operating subsidiaries in Indonesia and Malaysia.

The Group’s business can be categorised into three segments:

Investment Holding

Investment in transferable securities including but not limited to marketable shares, warrants and debentures etc.

Sterilisation

Providing contract sterilisation and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products.

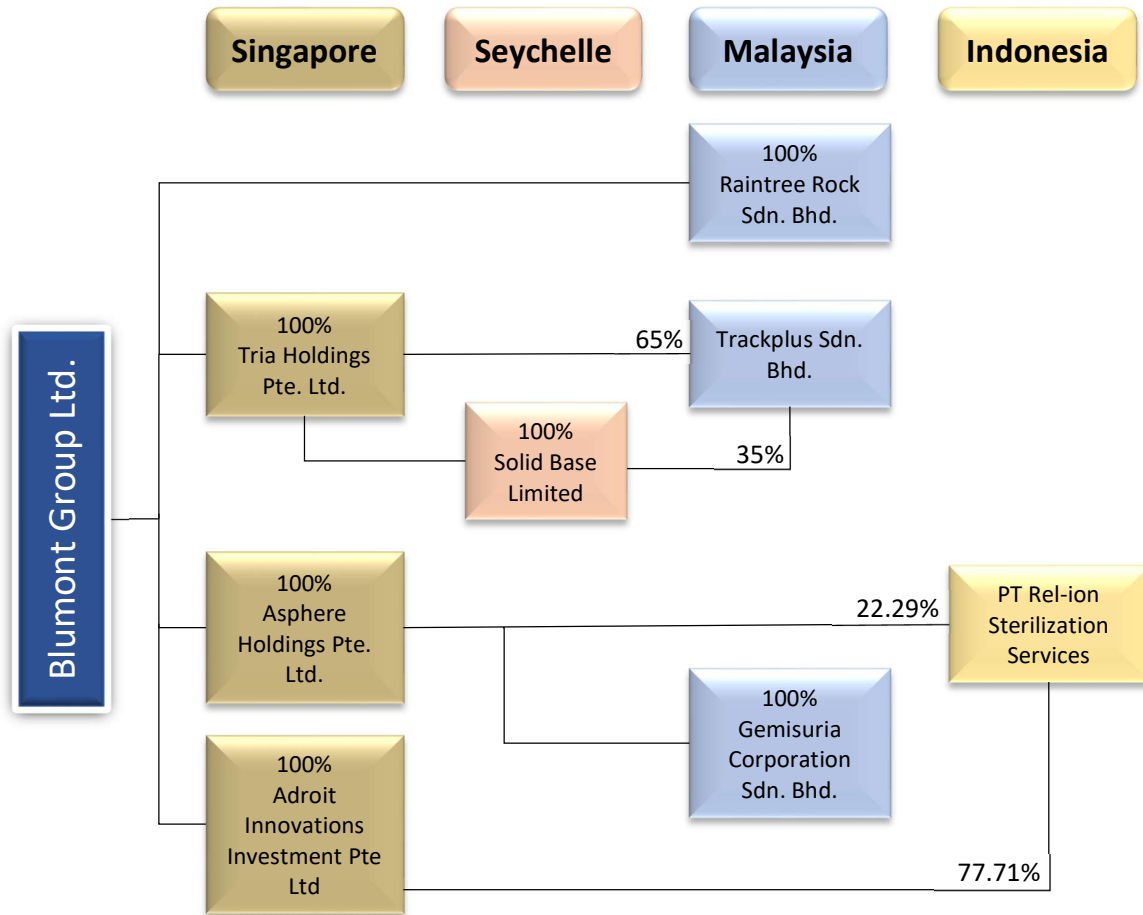
Property

Development of properties for sale, long-term holding of properties for rental and related income.



Our mission is to continue to re-engineer Blumont Group Ltd. (the “Company” and together with its subsidiaries, the “Group”) into a niche strategic investor in businesses with the global market in mind, that can generate opportunities, scalability and growth for the Group.

Group Structure



Executive Director's Message

Dear Stakeholders,

On behalf of the Board of Directors (the “Board”), our Group is proud to present our fourth Sustainability Report. This report sets out our sustainability principles and initiatives that have been put in place to align our operations with our stakeholders’ expectations in the areas of environment, social responsibilities, and governance.

Blumont is committed to conducting its business activities in an ethical, socially and environmentally sustainable manner. We make sure that our business operations and processes are managed in a way that minimises its impact on our environment. The Group recognises the importance of ensuring a healthy and safe work environment for the well-being of our employees and is committed to do so.

Our sterilisation business in Indonesia remained as the main revenue driver for our Group, despite a decrease in revenue by S\$0.72 million for FY2020. The sterilisation business had registered a reasonable performance in FY2020 in spite of the uncertainties caused by the COVID-19 pandemic. Despite difficult trading conditions, the implementation of vaccines in Indonesia and around the world will aid in the gradual resumption of supply chains and international business. We believe that PT. Rel-ion will be able to recover in the later part of 2021 as we are the provider of services to many industries. In line with our goal to become the leading sterilisation service provider in Indonesia, we consistently review our business operations and strategies to better serve the needs of our customers and deliver sustainable value to all our stakeholders.

Blumont’s sustainable growth also begins with our people, hence, the well-being of our employees is of utmost importance to us. As a result of the COVID-19 pandemic, we have regular temperature taking and disinfectant procedures put in place to safeguard our employees’ health and safety.

In addition, we acknowledge the importance of sustainable development and sustainability issues are part of our consideration in strategic formulation and our Board maintain its oversight role on management over the process of determining and monitoring of material ESG factors. We hope, with this report, stakeholders will better understand our priorities behind each approach and gain insights to how our business decisions contribute to sustainability in the long run.

We would also like to thank our stakeholders for your continued support and trust in our journey to sustainability.

Mr Alan Yu Chin
Executive Director

Materiality Assessment

With our regular stakeholder engagement and materiality assessments, we have identified and reviewed these material topics which shaped our sustainability strategy and helped us to set targets with intended outcome and impact. In this sustainability report, we continue to look into the various material topics that were identified and how we have improved our policies and procedures after understanding stakeholders' interests and expectations, as well as address the economic and ESG topics that are material to our business and stakeholders.

We have prioritised the material topics as shown in the Materiality Matrix below in the section of: **Our Business, Our Environment, Our People** and **Our Governance**.









Based on the matrix, the material topics covered in this report are as follows:

- Economic Performance
- Waste & Resource Management
- Occupational Health & Safety
- Training & Education
- Corporate Governance
- Corporate Values & Code of Conduct

Key Stakeholders Engagement

Our stakeholders play an important role in our business and we recognise the importance of a meaningful two-way engagement with our key stakeholders to understand their interests and expectations. Hence, we actively engage our stakeholders through various channels and continue to devote ourselves to improving the economic and social well-being of our stakeholders by incorporating key sustainability issues and principles within our business operations.

<i>Stakeholder Group</i>	<i>Engagement Channels</i>	<i>Key Interests</i>
 <i>Customers</i>	<ul style="list-style-type: none"> • Daily interactions • Enquiry and feedback channels • Customer survey 	<ul style="list-style-type: none"> * Top notch customer service * Quality management
 <i>Employees</i>	<ul style="list-style-type: none"> • Annual employee performance appraisal • Regular team meeting • Workplace safety training programme 	<ul style="list-style-type: none"> * Staff right and welfare * Occupational health & safety * Employee skills enhancement
 <i>Investors</i>	<ul style="list-style-type: none"> • Regular investor meetings • Annual and interim reports • Circulars to shareholders 	<ul style="list-style-type: none"> * Profitability * Transparency * Timely reporting
 <i>Suppliers</i>	<ul style="list-style-type: none"> • Periodic supplier evaluation • Comparison of quotes • Periodic discussion 	<ul style="list-style-type: none"> * Compliance with terms and conditions of purchasing policies and procedures * Maintenance of ethical standards * Material quality and waste management
 <i>Government & Regulations</i>	<ul style="list-style-type: none"> • Annual compliance audit • Adherence to statutory disclosures and requirements • Participation in conference/seminars for updates 	<ul style="list-style-type: none"> * Compliance with rules and regulations * Timely reporting and resolution of issues
 <i>Community</i>	<ul style="list-style-type: none"> • Active participation in corporate volunteering programmes 	<ul style="list-style-type: none"> * Contribution to the community development

Risk and Opportunities

We developed and constantly review our sustainability strategy in view of the risks and opportunities we face today. We understand the need to enhance our sustainability performance in order to increase our competitiveness. Our sustainability strategy focuses on four key pillars: Our Business, Our Environment, Our People, and Our Governance.

We have also incorporated the identification and assessment of ESG risks and opportunities into our Enterprise Risk Management (ERM) framework which allowed us to engage our stakeholders and comprehensively review the impact of material ESG issues on our business and stakeholders. As a business that strives toward growth and development, we remain vigilant for emerging trends and developments that may present business opportunities.



Our Business

- **Risks:** Competitors entering the market offering competitive prices and products.
- **Opportunities:** Continuously engaging with our customers to provide best price without compromising the profit margin.
- **Approaches:** On-going monitoring of investment opportunities in order to maximise shareholders' returns.



Our Environment

- **Risks:** Non-compliance with waste emission standards.
- **Opportunities:** Increasing environmental awareness and reduce environmental footprints for future generations.
- **Approaches:** Striving to comply with local environmental regulations with continuous monitoring.



Our People

- **Risks:** Employees may be unfamiliar with the safety standards.
- **Opportunities:** Enhancing and upgrading of employees' skill through training.
- **Approaches:** On-going training to be provided to our employees and ensuring that every employee is keeping up-to-date on the industry's requirement.



Our Governance

- **Risks:** Non-compliance with local laws and regulations resulting in fines, complaints, reputational losses.
- **Opportunities:** Updating of policies and procedures as and when required. Periodic monitoring of enterprise risk.
- **Approaches:** Maintaining good corporate governance practice by establishing robust policies and procedures.

Our Business

Strategic Investment

To align with our mission to be a niche strategic investor that can generate opportunities, scalability and growth, investing strategically is important to ensure the Group's sustainability through expansion and achieve technological competitiveness and quality products to fulfil customers' needs and market expectations. We seek to continue exploring new partnerships and potential investment portfolios to develop our business further.



The acquisition of all shares with the Asaro Federico and Baffyn International Corp. (the "Vendors") for the proposed acquisition of 100 ordinary shares, representing the entire issued and paid-up capital of Samadhi Retreats Pte. Ltd, was still on hold in FY2020. However, we have made some progress and signed a conditional Sales and Purchase Agreement to do a partial acquisition of Labrador Hill Pte Ltd. As at 15 February 2021, the vendors and parties involved are still in the process of satisfying the Conditions Precedent. The Proposed Acquisition is pursuant to the Company's corporate strategy to expand and diversify the scope of the existing business of the Group to include the Hospitality Business.

The Proposed Acquisition, if completed, will diversify the Group's current portfolio, reduce the Group's reliance on its existing business and provide the Company with potential additional revenue streams, all of which would improve the Group's future prospects for long term growth and enhance Shareholder value.



We are a proud member of the Singapore Business Federation ("SBF"), which is an essential means of bridging between Singapore business community and the Government for corporate expansion and improvements.

Our Business

Economic Performance

At Blumont, we strive to deliver sustainable long-term value for our stakeholders. Sustaining healthy profits provides us with a competitive edge which has a direct impact on our stakeholders. Good economic performance generates tangible value for our employees in terms of better remuneration, enhanced share value for the shareholders, as well as value creation for the customers and society at large.

In FY2020, sterilisation business remained to be the main revenue driver. Revenue decreased by S\$0.72 million to S\$3.49 million in FY2020 (FY2019: S\$4.21 million). The decrease in revenue was mainly due to decreased sterilisation services rendered and the recovery of previous 3 years rental of S\$0.09 million from settlement of the legal action involving Raintree Rock Sdn Bhd in FY2019. Other gains included S\$0.33 million for FY2020, mainly due to currency exchange gain, Job Support Scheme received from Singapore government and validation test income generated from sterilisation business.



Raw materials and consumables used decreased by S\$0.02 million to S\$0.05 million in FY2020 (FY2019: S\$0.08 million), mainly due to decrease in revenue in line with lesser materials consumed during the year.

Employee benefits increased by S\$0.26 million to S\$1.94 million in FY2020 (FY2019: S\$1.68 million), mainly due to severance payment made during the year. However, finance costs decreased by S\$0.05 million to S\$0.22 million in FY2020 (FY2019: S\$0.27 million), mainly due to lower bank loan during the period.

The sterilisation business had performed reasonably in FY2020 in spite of the uncertainties caused by the COVID-19 pandemic. Whilst trading conditions remain difficult in 2021, the roll out of vaccines in Indonesia and around the world will result in a near-normal resumption of supply chains and international business.

As a provider of services to many industries including pharmaceutical, medical, food and some agricultural products, PT. Rel-ion is in good position to recover in the later part of 2021. Moving forward, we will continue to monitor and identify ways to improve the business operations and profitability in FY2021.

Our Environment

Waste and Resource Management

As a result of our operating activities in PT Rel-ion, hazardous by-products such as radioactive waste are produced. Radioactive waste can cause potential threats to human health if not treated properly, as such, we recognise the impact of our operating activities on the environment and our Group is fully committed to ensure that these waste are treated in compliance with the regulations in Indonesia.

Radioactive waste is subjected to safety regulations which include the method of handling, transportation, storage, and disposal of the waste in order to ensure that the health and safety of the people and the environment are not compromised.

We provide high quality and reliable gamma irradiation services using a radioactive isotope known as cobalt-60. In line with our commitment towards ensuring proper treatment and disposal of waste, we engage our suppliers in a sustainable supply chain by returning used cobalt-60 to them for proper disposal. The disposal of cobalt-60 is carried out at the time of purchase of the cobalt-60 to save on transportation costs. As there was no purchase of cobalt-60 in FY2020, hence there was no disposal in FY2020. Disposal will be done upon the next purchase, therefore, despite lockdowns in Indonesia as a result of the pandemic, there was no impact to our waste management process. Our suppliers were also able to carry out their duties despite the lockdowns.

In addition, we have engaged the BAPETEN Nuclear Energy Regulatory Agency, who has the tasks of implementing the surveillance of all activities of the use of nuclear energy in Indonesia through regulation, licensing and inspection in accordance with applicable laws and regulations. We have undergone inspection by BAPETEN, and we are proud to present our certificates certifying our operations are complied with the Indonesian safety standards.



Our Environment

Waste and Resource Management (Cont'd)



We measured our past achievements and present our current year's achievements, as shown below:

ACHIEVEMENT FOR FY2020:

We were inspected by BAPETEN and received the Green Label as well as certification with no non-compliance noted.

TARGET FOR FY2021:

We target to maintain zero radiation accidents and maintain zero non-compliance with the local regulatory board. We will also continue to manage waste through the annual radiation safety inspections.

Our People

Occupational Health and Safety

The safety of all our employees are of utmost importance. We acknowledge that in our line of work, our operating activities may expose workers to several health hazards, such as exposure to radiation, and it is our responsibility as employers to mitigate such risks. Therefore, we put in place various measures to ensure the health and safety of our employees are free from injuries and that they carry out their duties in a safe manner.



Our People

Occupational Health and Safety (Cont'd)

As a result of COVID-19 pandemic, external trainings were cancelled. However, we continue to provide internal trainings to our employees to educate them on the proper handling methods of the radioactive substances and the correct way of wearing the protective gear. We have also put in place temperature scanning and spray disinfectant at the entrance of our office, as well as periodic spray disinfectant on all rooms.

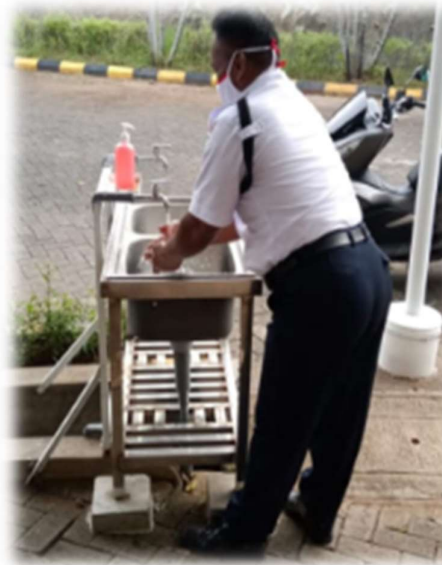
Temperature taking



Spray disinfectant



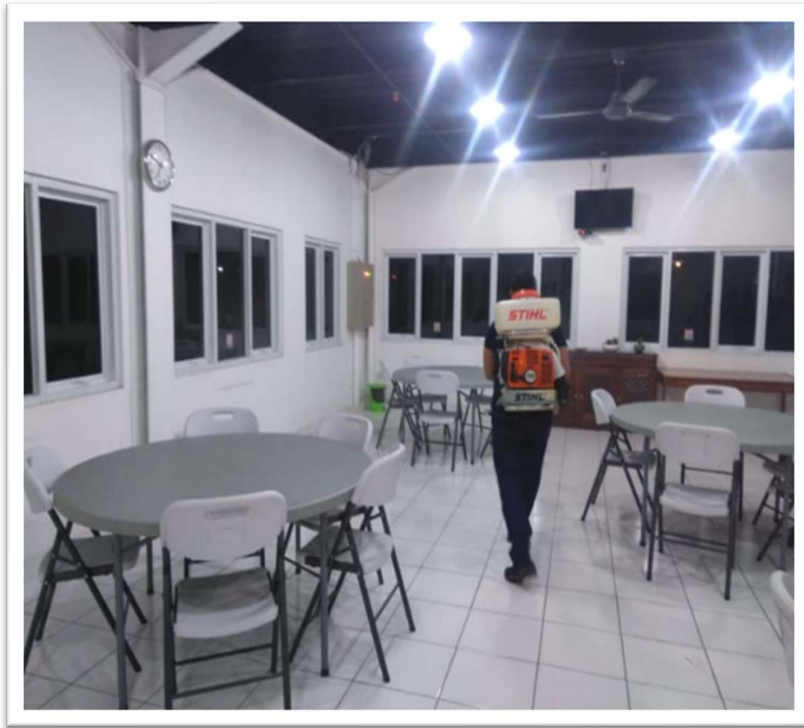
Hand washing



Our People

Occupational Health and Safety (Cont'd)

Spray disinfectant of the rooms in our office



Fogging of office area



Our People

Occupational Health and Safety (Cont'd)

We have a Health and Safety Committee in place, which consists of Protection Officers and Irradiator Maintenance Officers, to ensure that radiation exposure conditions are safe for the work and surrounding environment, as well as to ensure work safety for all radiation workers and the public from radiation exposure hazard. We are proud to confirm that we have also attained the ISO 9001:2015 certification and are also in compliance with various regulations as shown below:

Compliance

- Law Number 10 of 1997: Nuclear Power
- Government Regulation No. 29/2008 Ionizer Radiation Source Utilisation License
- Government Regulation No. 33/2007 Ionizer Radiation Safety and Radioactive Source Security
- BAPETEN Chairman's Regulation No. 7 of 2007 Radioactive Source Security
- BAPETEN Chairman's Regulation No. 6 of 2010 Health Monitoring of Radiation Workers
- BAPETEN Chairman's Regulation No. 11 Irradiator Construction and Operation Permit
- BAPETEN Chairman's Regulation No. 16 of 2014 Working License of Ionizer Radiation Sources

We are glad to confirm that there was no reported workplace injury nor reported non-compliances to applicable workplace health and safety regulations in FY2020. We measured our past achievements and present our current year's achievements, as shown below:

ACHIEVEMENT FOR FY2020:

We have attained the ISO 9001:2015 certification and maintained no reported workplace injury nor non-compliances to regulations.

TARGET FOR FY2021:

We seek to improve continually through adopting recommendations of compliance audits, appraisal service and radiation safety inspections conducted.

Our People

Training & Education

Employees are the backbone of any successful business. With the current rate of change and innovation, businesses that do not grow and develop their staff will be left behind. Hence, we make it a priority to ensure that our employees are adequately trained and continuously kept abreast of updates in the sterilisation industry. New employees are provided on-the-job training and coaching to help familiarise themselves with the working environment as well as to enhance their sense of belonging. In addition, we encourage all employees to pursue professional development opportunities by sending our employees for courses. In FY2020, due to the COVID-19 pandemic, external courses and trainings were cancelled. As a result, we have increased our internal trainings in FY2020 to our staff so that they are equipped with adequate technical knowledge and expertise, as well as growing their leadership capabilities. The average training hours clocked in by our employees are as follow:



	FY2020	FY2019
Average staff training hours	4	2

Refreshment trainings were conducted for all radiation workers and the following components were included in the trainings:

- Standard operation procedure for irradiator
- Radiation protection and safety program
- Radioactive security program
- Safety Radiation Procedure
- Good Radiation Practice
- Safety Work Program

Our People

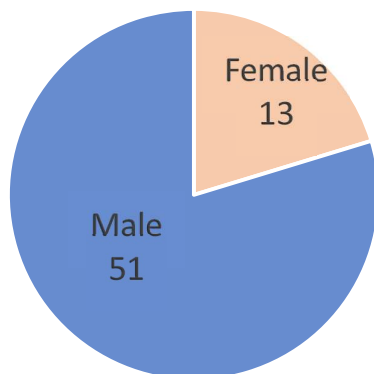
Training & Education (Cont'd)



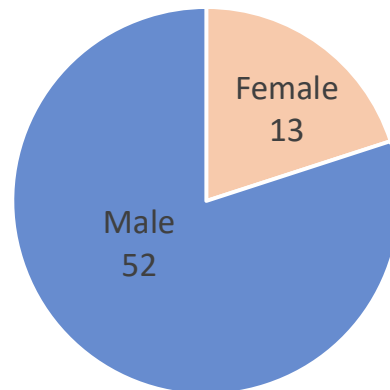
In addition, our Group has established an annual employee performance appraisal where our employees are evaluated fairly. This performance appraisal provides our employees a gateway to reflect on their achievements accomplished during the year as well as their areas of improvement. Most importantly, it allows them to have insightful discussions with their superiors on their career development and growth opportunities to achieve their full potential.

Our employees are also at the centre of our operations and our most valuable assets. Thus, attracting and retaining talent are part of the Group's strategy for ensuring sustainable growth for our business. We are committed towards fair and inclusive workplace that supports local employment in Singapore. We strongly believe that diversity within our workforce is a significant differentiator in our industry and do not base our hiring preferences on age, gender, race, marital status, nationality nor religion. There were no incidents of discrimination in FY2020. We strictly adhere to all local labour laws and regulations.

**EMPLOYEES BY GENDER
FY2020**



**EMPLOYEES BY GENDER
FY2019**



Our People

Training & Education (Cont'd)

With our aim of becoming an outstanding people-centric company, we have been improving our organisational effectiveness and simplifying our communication channels across all levels and between business units.

Our Group encourages work-life balance as we believe that a strong knitted team is more productive, energetic, and eager to work. Team outings are great for fostering team bonding, as well as a great opportunity for team leaders and employees to connect and get to know more about one another. Our Group also has a review-and-feedback process in place, which has proven useful in understanding our employees' concerns and addressing their issues.



We report our progress and target for the next financial year as shown below:

ACHIEVEMENT FOR FY2020:

We have increased internal trainings for our employees as a result of external trainings being cancelled.

TARGET FOR FY2021:

We target to engage external specialised trainer to provide training for our employees to increase their knowledge.

Our Governance

Our Board is committed to maintaining a high standard of corporate governance to ensure greater transparency and to protect the interests of our stakeholders. In addition, our Group emphasises ethical conduct of business and adopts a strict stance against corruption, dishonesty and fraud. Sound corporate governance practices are also important to the proper functioning of our Group and enhances the interest of all shareholders.

As such, our Group has put in place policies and procedures that will safeguard the interests of stakeholders and enhance stakeholders' value as part of our effort to maintain high standards of corporate governance.

Whistleblowing Policy

Our Company has put in place the Whistle-Blowing Policy which provide the staff with well-defined and accessible channels within our Group to counter and mitigate any possible and/or suspected fraud. Proper written procedures, policies and guideline are in place for making such reports in good faith, with confidence and will be treated fairly and be protected from reprimand.



We are pleased to report that there were no reported cases of fraud, misconduct, and breaches received through our whistleblowing channel in FY2020. We remain committed to maintaining zero reported cases.

Interested Persons Transactions Policy



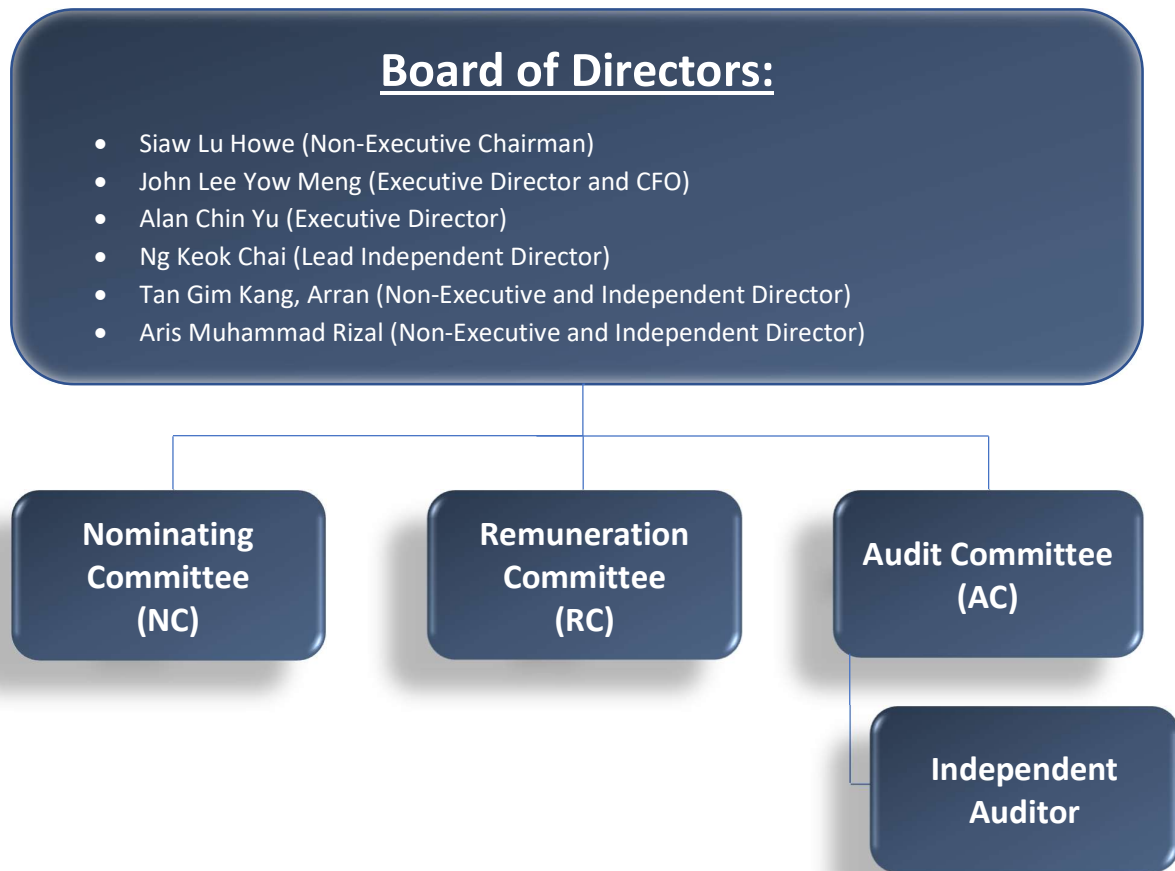
Our Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and these interested persons transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders.

All reportable transactions are announced on SGX and through the annual report accordingly.

Our Governance

Our Board is responsible for establishing the corporate strategies for the Group and setting strategic directions and objectives for the Management, supervising them and monitoring the performance of these objectives to enhance and build long term sustainable value for shareholders.

Details of our Board members and respective committees during FY2020 are as follows:



We report our progress and target for the next financial year as shown below:



GRI Content Index

GRI Standard	Disclosure	Page Reference and Reason for Omission, if applicable
GENERAL DISCLOSURE		
Organisational Profile		
102-1	Name of the organisation	4
102-2	Activities, brands, products, and services	4
102-3	Location of headquarters	4
102-4	Location of operations	4
102-5	Ownership and legal form	4
102-6	Market served	4
102-7	Scale of the organization	19
102-8	Information on employees and other workers	19
102-9	Supply chain	12
102-10	Significant changes to the organization and its supply chain	No changes
102-11	Precautionary principle or approach	21
102-12	External initiatives	No external initiatives
102-13	Membership of associations	10
Strategy		
102-14	Statement from senior decision-maker	6
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	4
Governance		
102-18	Governance structure	21
Stakeholder engagement		
102-40	List of stakeholder groups	8
102-41	Collective bargaining agreements	Not applicable
102-42	Identifying and selecting stakeholders	8
102-43	Approach to stakeholder engagement	8
102-44	Key topics and concerns raised	7
Reporting practice		
102-45	Entities included in the consolidated financial statements	Adopted in FY2020 Annual Report
102-46	Defining report content and topic boundaries	3
102-47	List of material topics	7
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	3
102-51	Date of most recent report	3
102-52	Reporting cycle	3
102-53	Contact point for questions regarding the report	3

GRI Content Index

GRI Standard	Disclosure	Page Reference and Reason for Omission, if applicable
Reporting practice		
102-54	Claims of reporting in accordance with the GRI Standards	3
102-55	GRI content index	23
102-56	External assurance	3
MATERIAL TOPICS		
Economic Performance		
201-1	Direct economic value generated and distributed	11
201-2	Financial implications and other risks and opportunities due to climate change	11
Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	12-13
Occupational Health and Safety		
403-1	Occupational health and safety management system	14-17
403-2	Hazard identification, risk assessment, and incident investigation	14-17
403-3	Occupational health services	14-17
403-4	Worker participation, consultation, and communication on occupational health and safety	14-17
403-5	Worker training on occupational health and safety	14-17
403-6	Promotion of worker health	14-17
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	14-17
Training and Education		
404-1	Average hours of training per year per employee	18-20
404-2	Programs for upgrading employee skills and transition assistance programs	18-20
404-3	Percentage of employees receiving regular performance and career development reviews	18-20